IMPACTS OF GLOBALIZATION AND ECONOMIC STABILIZATION POLICIES ON EUROPEAN AND LATIN AMERICAN LABOR STRUCTURES.

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Introduction

This paper aims to examine the recent impacts of the globalization process and economic stabilization and reform policies, on the labor structure of some selected European and Latin-American countries, considering the specific adjustment measures to cope with the negative effects of these policies. The comparison among developed and developing countries may provide some elements to better understand the possibilities to handle with the extensive changes in external conditions, in order to respond to the new challenges in labor market conditions.

The stabilization and reform policies undertaken in many European Union countries (in order to adjust to the Euro and to the European Union), in European transition countries (to replace central planning with a market economy) and also in Latin-American ones (to cope with high inflation) since the eighties, have affected (positively or negatively) the performance of the economies and mainly the labor market opportunities. These impacts had some similarities and differences among those developing and developed countries. In most developing countries, labor markets policies remain unchanged and based on jobs protection and at the end of the nineties only a few had modernized their labor policies, in order to adjust to the new reality of internationalization and technological innovation which are jobs economizers. Nevertheless, the enterprises had to face the need to modernize their production and organizational process, in order to increase their competitiveness at a global level, although in some countries, labor forces where not prepared to respond to a increasing demand for more qualified workers.

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As it will be seen, the high unemployment rates and the growing of the informal sector had intensified and so are the debates about the present institutions that prevail in the labor markets, which can be one of the causes of the increase in negative trends. Some annalists, entrepreneurs and even government agents which are in charge of labor policies, have argued that the excess of protection through labor market regulation cause some limitations to the markets responses to adjust to the high unemployment rates and are more and more leading a great number of workers to precarious situations in the informal market. They refer to some East Asian economies, in order to base the ideas of reforms in the labor markets and to perform policies to increase labor qualification.

Others affirm that any measure that conducts to the elimination of labor protection, mainly in developing countries, will worsen the social conditions of the workers and will increase poverty and the inequity in income distribution of these countries (Lustig and Edwards, 1997:2). They also argue that regulations in Latin-American countries have been very much ignored by the employers and that the labor markets already are considerably flexible and competitive. On the other hand some regulation policies in some European countries did not solve unemployment problems. In any case, economic reforms which lead to stabilization and economic modernization did not particularly solve some problems resulted from the transformations in the previous conditions of the labor market.

First some characteristics of the stabilization and modernization policies of selected Latin American and European countries are examined, and in sequence some statistical indicatives of the impacts of these measures on the occupational structuring are analyzed for a group of selected countries.

Reforms in Europe and Latin America and economic transformations

The process of world globalization, in the most recent years of the eighties and nineties, caused significant changes as much in the developed economies of Europe, as in the in developing European and Latin-American ones. Those transformations include: a) growing internationalization of the material and intangible economic activities; b) the reorganization of the dominant firms; c) an increase in the integration of the manufacturing activities with the service ones; d) impacts of the growing use of the microelectronic technologies; e) growing demand for more qualified manpower, while more routine jobs were being substituted by technical change; f) growing complexity and volatility of consumption; and g) a change in the government's paper and in government intervention on the society and the economy.

The private organizations looking for competitiveness, had to deal with transformations in the technology and in the plant of the facilities, with changes in the nature of the qualification of the involved labor, with new organization processes and of labor relationships, as well as with new characteristics of the productive process (non-continuous production and limited scale economies). On the other hand, the technical innovations affected some economic aspects as: a) the nature of the product, through the intensification of intangible services and in the characteristics of the product; b) the nature of consumption, through unusual forms of distribution of the product, through the consumer's interactive role and the organization of the consumption; and also c) the nature of the markets, through innovations in the organization of the markets, in the regulation and in the marketing instruments (Kon, 2000).

Parallel to these transformations and in order to accomplish with competitiveness and growing goals, since the eighties, some Europe countries governments were engaged in performing policies to prepare, implement and consolidate the Europe Union (EU) through Economic and Monetary Union. Monetary Union, which began on 1 January 1999, still has to surpass the transition period that will end on 31 December 2001. The preparation for those changes were a formidable challenge, that called for a sustained and concentrated action through monetary and budgetary policies, as an essential condition for sustained, non-inflationary growth and an integral part of the multilateral surveillance and co-ordination of general economic policies.

In the beginning of the EU implementation, a high growth period in 1986-1990, was marked by an initial overheating of the economy, precipitated by an excessively expansionary macroeconomic policy-mix, which fuelled inflation, from 1989, with correspondingly higher increases in nominal wages. With the inflationary pressures, monetary authorities adopted tight policies, which had strong effects in all the EU countries, though in some countries budgetary policy remained expansionary. In 1992, rising interest rates and a currency crisis let to stabilizing recession until 1993, with a considerably negative impact on employment. From 1993-97 a moderation of wages increases, rises in productivity and increased competitiveness contributed to a recovery, in spite of the currency upheaval of spring 1995 and a rise in long-term interest rates that were a major macroeconomic obstacle to growth. The stability conflicts and currency upheavals contributed to a decline in the investment rate in the Union which constituted an obstacle to growth, but the exchange rate disturbances of 1995 have been reversed and long-term interest rates have converged towards low levels, bringing a higher degree of stability. The Asian financial crisis has also affected European countries and lead to some reduction in economic growth in the EU in 1998, but the adverse impacts were rather small (EU, 2000).

On the other side, in transition countries where the reforms aimed to replace central-planning with the rudiments of a market driven economy in the beginning of the nineties, the first measures were rapid price and trade liberalization, accompanied by a determined stabilization program to maintain price stability, opening of markets to entry by new private businesses, privatization of state-owned companies, demonopolization of industry and many changes in the tax and legal systems, financial sector and civil service. Among these countries, different paths of reforms were performed, moving at different speeds, according to the degree of macroeconomic disequilibrium starting points and other noneconomic factors as politics, history and culture.

The restructuring changes in most transition economies have not progress as rapidly as expected, mainly because some countries there were not established new forms of control of the free enterprises, and the imbalance in structural reform has created an interest group which is opposed to further reform. In the field of labor market, the transition process has been painful for many workers, because entails the destruction of many jobs which existed under centralized economy. The process of transition began with a fall in output in every country, from 1989 to 1991 (Renshaw, 2000). Russia experienced hyperinflation in the early 1990, but in 1993-34 claw the way back by cutting government spending and restricting monetary expansion, and in 1997 had reduced (painfully) to 20% a year. In contrast, Hungary and Czech Republic experienced severe and brief recession in 1990-92 followed by sustained recovery in GDP, while Poland experienced the smallest fall in industrial production and in GDP, and a strong and sustained upswing and in 1997 the industrial production was 50% higher than the 1990 level. Romania experienced an output fall until 1992 and then four years of expansion, but the government budget deficits could not be financed in a non-inflationary manner, and austerity policies in 1997-98 caused economic regression.

In examining the case of Latin-America in order to compare the similarities and differences with the EU countries, it is noticed that since the eighties, those economies are also passing through noticeable transformations. Since the Second World War, the countries of these developing countries that were been adopting protectionists policies in trade, and were living apart from the world market system, started to implement some reforms seeking to accomplish the economic stability. In this direction it was observed a process of eliminating the regulation of economic practices, to open the markets for foreign competition and towards obtaining competitiveness in the external markets.

Among the Latin-American countries, Chile began the reforms in the middle of the seventies, Bolivia, Costa Rica and Mexico in the middle of the eighties, Argentina, Brazil, Colombia and Peru only starting in the beginning of the nineties. These countries represent the great majority of the population, of the generated product and of the international trade of Latin America. As Stallings and Peres (2000) point out, the changes happened starting from the impacts of the world external context on the initial domestic conditions of each economy, that demanded economical, political and social reforms. As in the case of the European transition economies, the prevalent initial conditions in each specific economy, were crucial as much in the determination of the government policy choice, as for the answer of each society to these policies. The rates of growth of the product and of the inflation, the structure of production and of employment and the relations with the world economy resulted form the political choices. On the other hand, the social characteristics of the population and the governments' capacity to implement the necessary decisions of social policy that would lead to a greater equity, were also differentiated. In the ambit of the companies, the differences in the productive capacity, in reorganization and in accumulated knowledge, were also significant elements to the possibility of success in the process of stabilization of the Latin-American economies (Lustig and Edwards, 1997).

Due to the initial conditions of the Latin-American countries in the period that preceded the reforms, some regions undertook more aggressive and fast reforms, while another were more cautious and gradual in their implantation. This political choice was influenced particularly by the previous performance of each country in its way to development, by the rate of effective inflation, by the governbility level and by the degree of structural economic backwardness.

In what refers to these factors, it was observed that Argentina, Bolivia, Chile and Peru had great deficiencies, with inflation rates superior to 1.200% in the 5 years precedents to the beginning of the reforms, while the GDP in the period had an increase of around 0.7% a year and that, farther, presented low governability level. These factors lead the government agents to plan drastic transformations in the economic policies. Brazil, Colombia, Costa Rica and Mexico, for instance, initially opted for more gradual reforms, searching for annual average rates, in the 5 years precedents, that were inferior to the one of the previous group, around 168% (Brazil presented the largest average rate of 708%); the annual average growth of the product was around 3.8% and the governability level was between medium and high (Stallings and Peres, 2000).

Impacts of economic stabilization and globalization in European transition and Latin America economies.

European transition economies and Latin American countries showed some similarities in the way that reforms affected labor market. The macro and microeconomic policies, seeking economic stabilization or the incentive to specific sectors, had differentiated effects at each country, according to the structural and conjuncture possibility of answering the those stimuli. Parallel to the need of restrictive stabilization policies, in the eighties, the Latin-American (in the eighties) and European transition (in the nineties) economies had to internally adapt to the impacts of productive restructuring and of the globalization that was happening since the end of the sixties in the more developed countries, and that demanded the modernization of the enterprises and of the government, in order to make effective the opportunities of world competition.

In this way, the impacts of the economic globalization on the developing countries, also revealed several tendencies owed to the specific characteristics of each region, in what refers to the sector structure, to the availability of human resources and of savings that would made possible the introduction of more advanced technologies, to the degree of technological innovation of the economic base, as well as to the infrastructure availability, that made possible agglomeration economies and the exploration of comparative advantages. Considering the need to reconcile the international competitiveness simultaneously with the process of economic stabilization, and starting from a situation of inequalities in the socioeconomic levels of development, the dynamics of evolution of the Latin-American and European transition countries presented, in the eighties and nineties, different speeds and intensities in each space.

The process of world globalization caused, in the most recent years, significant changes as much in the developed economies as in the in developing ones. Although in comparison to the advanced economies these changes have happened at a smaller speed in the less developed countries, the impacts on the labor markets happened with great intensity. For each level of economic development, it was observed specific patterns of productive and organizational restructuring in the period, as a result of the technological and organizational modernization of the enterprises. The international environment in many ways influenced the impact of the economical reforms on the performance of each society.

The value of the exports presented a growing tendency, although the participation of these developing countries in the world context has decreased until the nineties. However, the growing participation on this last decade it is resulted of the economical reforms although the growth of the exports has not been accompanied by the growth of the product (in volume and in value); besides, the speed of growth of the imports was superior, leading to the amplification of the trade deficit of these countries, that had to be financed by foreign capital. The capital flows also increased quickly and in this case, the participation of Latin America in the world context increased in a relative comparison. These tendencies are visualized in the financial flows and in the direct productive investments, although the first ones have more intensely grown. These financial flows presented much volatility in the nineties, with more frequent cycles of increasing and decreasing. The high volatility and the resulting uncertainty considerably discouraged the crucial direct investments in the reforms, what delayed the attainment of stabilization in some economies.

Some macroeconomic policies undertaken looking for stabilization, and another reform measures were shown consistent with the development objectives, leading to the opening of national and international opportunities for the local companies, although in many cases increased the external financial pressures. They resulted in decrease and in contention of the increase of the inflation rates and of the fiscal deficit.

Some inconsistencies were found in another ambit, as the appreciation of the local money that render the imports cheaper and the exports more expensive, lowering the stimuli of some productive exporter sectors, besides increasing the external trade deficit. The financial liberalization and the monetary policies of stabilization, also conducted to inconsistencies, since they lead the interest rates to considerably higher levels than the international ones, aiming to attract financial capitals. This resulted in financing difficulties for the companies, that would be used in the productive restructuring and even for short-term capital. Another common difficulty of the Latin American and European transition countries was due to the fiscal policies destined to lower the fiscal deficits that exacerbated the social deficiencies. The social expenses decreased in most of the Latin-American countries in the eighties, and in European transition countries in the nineties, however some countries resumed these expenses with larger intensity the following decade (CEPAL, 1999; Renshaw, 2000).

In the end of the nineties (1998 and 1999), the international financial crisis was the decisive factor of the economic tendencies of these countries, since it implicated in a decreasing of the external capitals inflows and in an increase of the amount of payments to the exterior, that meant a liquid negative transfer of the region resources, and in Latin America reverting the tendency that was occurring since the year of 1990. In many countries, the intraregional (South America) trade decreased, resulting in a fall of the income generated through exports. The differences among the countries were considerable, and the societies that maintained more narrow entails with the North-American economy (like Mexico and Central American and Caribbean countries, through the *maquiladoras*, the trade of other agricultural and manufactured products and tourism (revealed a moderate or high growth. In these countries, the employment rates presented larger dynamism, although in most of the other Latin-American countries the rates were contracted. On the contrary, the South-American countries that are characterized for concentrate the basic products export and for an intrarregional trade of industrial products, had unfavorable performances. However, after the stabilization the inflation was maintained under control around 10% in average, in spite of the depreciation of several moneys and the earnings in real wages were also maintained (CEPAL, 1999b). The same tendency of larger dynamism was present in the European transition countries that maintained more narrow entails with the EU economies, as for the most Central European countries as Poland, Hungary and Czech Republic.

The economical reforms undertaken in different moments in the developing countries, in particular the liberalization of imports, the privatization and the policies to attract of foreign capital, had a positive impact on the economic growth, although not very significant. These positive effects rose during this time, and the results were more evident 3 or 4 years after the reforms than in subsequent period. The countries that adopted more aggressive policies presented a faster growth in the nineties (Stallings and Peres, 2000; Renshaw, 2000).

Effects of stabilization on employment growth

In the EU countries, the number of unemployed persons in 1985 was about 10% of the civilian labor force, and felt to 7.7% in 1990, but in 1997 represented 10.7%. In the other hand, the ration of effectively employed persons with respect to the working-age population, that is, the employment rate, felt from 67% in the beginning of the sixties, to about 60% presently. It is very low for an economic developed region, comparing to USA and Japan where it exceeds 74%. These 60% employment corresponds to 55 % in terms of full-time equivalent posts due to the impact of part-time work, a great part of it is involuntary and may be considered as partial employment. The effect of part-time employment rate was about 4% in 1985 and 5.3% in 1996.

In Latin America, although a positive impact on the employment through the fastest growth of the product and of the distribution of income was one of the objectives of the reforms, this was not achieved in a short or medium period, as a consequence of the stabilization policies in those countries. The annual average growth of GDP was 1.2% in eighties and 3.7% in the period 1990-97, and the average elasticities of employment in relation to the product in the nineties didn't differ of the one of the period 1950-90 (Weller, 2000). This means that the impacts of the reforms on this last decade didn't affect positive or negatively the relation between the growth of GDP and the creation of long term employment, but on the contrary, the low rates of growth of the product lead to a slower employment creation.

The slow growth of the jobs offer in those countries in the nineties came together with an important qualitative change: firstly an intensification of the workers' transfer from the formal to the informal labor market, in small businesses, own-account labor or domestic services, which present, for the most part, low productivity and lower remunerations and no legal benefits. International Labor Organization data show that about 60% of the new jobs opportunities happened at the informal market, being more prevalent in Brazil, where the jobs positions in the formal section decreased in absolute terms, and in Colombia. In Argentina and in Chile the informal labor is less representative.

It is observed that the expansion of the product is strongly correlated with employment generation in the development path of these Latin-American countries. Comparing with the period of 1950-80, the low growth of product rates in the eighties and nineties and the unstable pattern of growth of the product, were responsible for a great part of the low creation of jobs

(Stallings and Peres, 2000). On the other hand, the stabilization policies delineated a slow economical growth as part of inflation contention.

A selection of Latin America and European countries are now examined in order to observe the impacts of reforms and stabilization policies on labor structure. These countries are classified, according to the World Bank, among the Lower and Medium Income countries, and it is not found any example with a *per capita* income with a development level characteristic of the industrialized economies (World Bank, 2000).

The exam of some indicators of labor division for the, shows that the countries with a superior level of development present very differentiated characteristics of the societies with an inferior degree of *per capita* income, where the feminine participation in the labor market and the education degree comes considerably below. Although the observation of these indicators doesn't allow conclusions about the specific causes of this evolution, it is possible to verify a similar behavior among those economies, that allows to delineate a close profile of the impacts on labor structures in the societies that presents, on the other hand, considerable differences in relation to the more advanced countries.

As it is seen in Table 1, for selected countries of Latin America, a similar characteristic resultant to most countries of Middle Income (with exceptions of Bolivia, El Salvador, Panama and Mexico) is the increase of the unemployment rates in the nineties, on one side as an impact of the stabilization policies that led economic activity contraction, and on the other hand of the productive restructuring that slowly began in that period, through the largest incorporation of productive and organization processes which were “labor savers”. The European transition economies also presented high rates of unemployment from 1994 to 1997, mainly in Poland and Russian Federation (above 11%).

As to the EU countries, which represent High-Income economies (except Greece), in the period of 1980-82, the highest unemployment rates were represented by Spain, Ireland (above 10%) and also Portugal, Italy and Denmark (around 7%). However, in the nineties, unemployment has increased in almost all of these economies, except in Denmark, and the rates are considerable preoccupying in France, Italy, Spain and even in Finland.

On the other hand, except for Brazil, all the Latin-American countries revealed an increase in the female participation rate in the labor market, from 1970 to 1998, not as a result of the increase modernization patterns, but as the need to complement the family income.

Nevertheless, the ratio of female to male in the labor forces remained low (around 0.5) for the most part of the regions, except for Uruguay. As to the European countries, the increasing female participation rate was found in all developed and developing countries, in spite that in Greece, Italy, Ireland and Spain presented a lower participation (around 0.5 and 0.6).

Table 1

Employment indicators in selected Latin American and European countries (%)

Countries	Unemployment 1980–1982	Unemployment 1994–1997	Labor Force Participation* By Gender 1970	Labor Force Participation* By Gender 1998	Annual Growth Rate of Labor Force 1980–1990	Annual Growth Rate of Labor Force 1990–1997	Child Labor** 1980	Child Labor** 1997
LATIN AMERICA								
Low Income								
Honduras	7.4[c]	3.2	0.3	0.4	3.6	3.8	14	8
Lower-Middle Income								
Bolivia	5.8[c]	4.2	0.5	0.6	2.6	2.6	19	13
Colombia	10.2[c]	12.1	0.3	0.6	3.9	2.7	12	6
Costa Rica	5.9	5.7	0.2	0.4	3.8	2.5	10	5
El Salvador	12.9	8.0	0.3	0.6	1.7	3.6	17	15
Ecuador	8.5[c]	9.2	0.2	0.4	3.5	3.1	9	5
Guatemala	4.0[c]	5.9[a]	0.2	0.4	2.9	3.4	19	15
Panama	19.3[c]	14.3	0.3	0.5	3.0	2.5	6	3
Paraguay	4.1	8.2	0.4	0.4	2.9	2.9	15	7
Perú	5.9[c]	7.7	0.3	0.4	3.1	3.1	4	2
Upper-Middle Income								
Argentina	2.3	16.3	0.3	0.5	1.3	2.1	8	4
Brazil	2.8	6.9	0.3	0.5	3.2	1.7	19	15
Chile	10.4	5.3	0.3	0.5	2.7	2.1	0	0
Mexico	2.7[c]	3.5	0.2	0.5	3.5	2.8	9	6
Uruguay	8.9[c]	10.2	0.4	0.7	1.6	1.0	4	2
Venezuela	5.9	10.3	0.3	0.5	3.6	3.0	4	1
EUROPE								
Transition Countries								
Belarus	...	2.7	1.0	1.0	0.5	-0.1	0	0
Czech Rep.	...	4.7	0.8	0.9	0.2	0.4	0	0
Hungary	...	8.7	0.7	0.8	-0.8	0.0	0	0
Lithuania	...	6.7	1.0	1.0	0.7	-0.2	0	0
Poland	...	11.2	0.8	0.9	0.1	0.5	0	0
Romania	...	6.0	0.8	0.8	-0.2	0.0	0	0
Russian Fed.	...	11.3	1.0	1.0	0.2	0.1	0	0
High Income[d]								
Austria	1.9	5.3	0.6	0.7	0.5	0.5	0	0
Belgium	...	9.0	0.4	0.7	0.2	0.5	0	0
Denmark	7.0	5.4	0.6	0.9	0.7	0.0	0	0
Finland	4.6	14.4	0.8	0.9	0.6	0.1	0	0
France	6.1	12.3	0.6	0.8	0.4	0.8	0	0
Germany	...	9.8	0.6	0.7	0.6	0.3	0	0
Greece[(e)]	2.4	9.6	0.3	0.6	1.2	0.9	5	0
Ireland	10.5	10.3	0.4	0.5	0.4	1.6	1	0
Italy	7.6	12.5	0.4	0.6	0.8	0.4	2	0
Netherlands	4.6	5.5	0.3	0.7	2.0	0.6	0	0
Norway	1.7	4.1	0.4	0.9	0.9	0.8	0	0

Portugal	7.0	7.5	0.3	0.8	0.4	0.4	8	2
Spain	11.1	20.6	0.3	0.6	1.3	1.0	0	0
Sweden	2.0	7.9	0.6	0.9	1.0	0.2	0	0
Switzerland	0.2	4.1	0.5	0.7	1.5	0.8	0	0
United Kingd.	...	7.1	0.6	0.8	0.6	0.3	0	0

Source: CEPAL, 1999 and World Bank, 2000. *Participation rate = Ratio of female to male.* * 10-14 year-old children - percentile on the group of age. Notes: a =1998; b = total national ; c=1991; d=1990; e= Upper-Middle Income.

The annual growth rate of the manpower, that results from population growth in the previous decades, as well as from the transformations in the age pyramid, decreased in the nineties in relation to the previous decade, in the societies of High-Middle Income in Latin America, except for Argentina that surprisingly presented higher average rates, perhaps as a result of differences in the manpower concept. The decrease indicates a degree of cultural modernization of the societies, that observed lower rate of population vegetative increase and on the other hand a considerable decrease of the infantile work that, as it is possible to observe, it was also verified in other lower development degree countries. The decrease of the annual rates of labor growth, was also found in most of the other selected countries, except Honduras, El Salvador and Guatemala.

In the European transition countries different performances was found, because while in Belarus, Lithuania and the Russian Federation was observed a non significant decrease in this growth, in Czech Republic, Hungary, Poland and Romania there was a also non significant increase. Among the selected EU countries, the lower rates presented in the eighties, only was above 1% in Greece, Netherlands (2%), Spain, Sweden and Switzerland. In the nineties, until 1997 the rates remained very low, but with different directions among the countries: they were higher (as related to the eighties) for Belgium, France and Ireland, equal for Austria and Portugal, and lower for the rest of the economies. A significant difference among Latin American and European countries is found about child labor, were for the last ones in 1997 the percentile of children working was null, except for Portugal, even for those countries that presented positive per cents in 1980. As to the first ones, in spite of a decreasing rate, almost all countries, except Chile, show the presence of children among the workers, and in countries as Bolivia, El Salvador, Guatemala and Brazil the participation still is above 13%.

Another characteristic of those less developed countries is the great size of the informal sectors that had increased in the nineties as an adjustment to the growing unemployment rates. The distribution of the Latin-American workers in the urban and rural zones shows that the countries relatively concentrate a higher participation of own-account and not paid workers, in the urban regions, in the eighties and nineties. In the countries that undertook reforms, this participation increased in the nineties, as in Colombia, Brazil, Venezuela and Costa Rica, and it decreased in Mexico, Argentina and Chile. On the other hand, in Chile, Mexico, Colombia and Costa Rica the participation of employers increased, showing lightly inferior rates in Brazil, Argentina and Venezuela. The occupational distribution reveals a low percentile of employers, as a result of the more significant number of great oligopolies and high capital concentration in the industries and among companies, although the number of small businesses has grown.

In the rural zone the own-account workers' participation is considerably high in almost all the selected countries, between 40% and 65%, except for Costa Rica and of Chile (between 25% and 33%). However, the participation increased more considerably only in Brazil in the nineties. The occupational distribution shows a structure of great properties, since the participation of employers is not relatively significant, being a little higher in Venezuela and El Salvador. In the last two years of the nineties the occupational situation, that presented larger deterioration since the middle of the decade (and that presented a transitory recovery in 1997) was worsened, as a result of the international economic conjuncture portrayed by the Asian financial crisis. For some countries as Brazil, Argentina, Chile, Colombia, Ecuador, Mexico, Uruguay and Venezuela, the average rate of occupation observed a considerable fall. On these last years the salary earners proportion in Argentina, Brazil, Chile, Colombia and Ecuador was reduced, particularly in the construction industry. On the other hand in other countries as Mexico, and some center-American and Caribbean, the employment was favored, stimulated by the relations with the north-American economy, increasing the salary earners proportion as much as the opportunities of new job positions in the manufacture and construction industry (mainly in Mexico). In a global way, in the end of the nineties, the average rate of unemployment of the Latin-American region reached the higher level, rising annually from 8% to 8.7%. The largest increase was shown in Argentina, Chile, Colombia Equator and Venezuela, while in Brazil and Mexico the rate was constant (CEPAL, 1999).

Final considerations

The impacts of economic stabilization reforms and increasing globalization process on developing Latin American and European countries had some similarities and differences. The similarities were due to the decrease in jobs opportunities — resulted from productive and organizational restructuring in the enterprises — and increasing unemployment, and the differences to the possibilities of structural adjustment to this new reality.

But the most part of the similarities is found among the Latin American and European transition countries. The analysis on the impacts of the reforms undertaken since the eighties show that in these countries: a) the governments' and enterprises unequal answers to the undertaken policies were responsible for the differentiated results among the countries; b) the initial conditions of the several countries in the beginning of the stabilization processes were also very diverse, what could affect or not the capacity of the countries to attain more significant results; c) in many cases the governments introduced inconsistent reforms in macroeconomic and social policies; d) the reforms were incomplete and they lacked the necessary institutional support for complementation; e) the microeconomic impacts were slow, due to the atmosphere of macroeconomic uncertainties and instability; f) the possible positive effects of the reforms were frequently retarded or reduced because of the unfavorable tendencies of the international economy, represented by the financial crisis and the stagnation of the economical activities in advanced countries; g) the labor markets presented growing unemployment problems, as well as incompatibility in the availability of workers' qualification to face modernization (Edwards and Lustig, 1997; CEPAL, 1999a and 1999b; Di Marco, 1999; Stallings and Peres, 2000, Renshaw, 2000). In EU countries, on the contrary, the budgetary reforms succeeded but the monetary one still need some more time more present more positive effects for a self-sustained expansion with increasing labor absorption.

In what refers to gender, as already known, a constant tendency to increase the rates of the woman's participation in the labor market is observed in both cases. However, in a different way that it happens at more advanced countries, in the Latin-American developing ones this increase is due only partly to cultural, demographic and economic changes directed to social modernization and economic development, because it is seen that even in periods of socioeconomic crises, woman's participation in the labor market has been increasing as a consequence of the need to complement (or as only source) of the family remuneration. In any way, the diverse conditions among gender, in what refers to family and professional responsibilities, rigid schedules of work, stricter demands of qualification to men, among other, show that the women's work don't depend only on the market demand, but also on a series of other factors to articulate. These factors frequently lead to workers' allocation in informal activities, that allow a more easily articulation, but that have an unstable character and smaller remuneration. The domestic work is frequently a solution found by the Latin-American woman in the contemporary society and also by the enterprises that are outsourcing some services, looking for the costs reduction. However, unlike the domestic work resulting from outsourcing of a series of more sophisticated modern services previously allocated in the companies, it is verified that in Latin America that the domestic female work, in most of the cases, has a craftsmanship character, low qualification and it lower remuneration. More effective public policies aiming to the larger engagement of the feminine population in labor force are not present, or a lot of times are badly enunciated and cause contrary effects, discouraging the enterprises companies to hire women, because they cart in a larger relation cost/benefit (Kon, 2000b).

The observation of indicators of labor performance in Latin America and European transition countries analyzed, allowed to observe the specific structural characteristics, which are differentiated from the industrialized countries. It was characterized that a singularity among these economies exists, and the impacts of reforms and stabilization policies are greater in those economies due to some institutional and cultural determinants, which affect the occupational structuring. The negative effects are more evidently associated to the social realities of Latin America, which is composed partly by societies in that the labor force presents smaller qualification level, some degree of child labor persist and it is less prepared to quickly assume more advanced technologies.

For all countries, some basic lines of action are recommended to develop a strategy in the field of employment, besides general economic development policies. In some developed economies are already been implemented, but in the developing ones those measures are not yet determined. The first line of action is directed to some policies to promote entrepreneurship, addressed to specific sectors, which create new jobs posts, and to promote less substitution of labor by capital. Second, improvement of “employability” through training and improvement in human capital policies, as well as measures in favor of the young and own-account employment. Next, adapt employment according to new forms of contracts, reorganization of working time, layoff measures, to achieve flexibility and security in jobs. Finally, policies to equal opportunities, by tackling gender gaps, reconciliating work and family life and the integration of people with disabilities into working life.

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